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December 6, 2006

CCX
Posted: too
Dept: S.A & ORS
Date: 12/7/06
Time: _____

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

2006-382-C

RECEIVED

DEC 06 2006

PSC SC
DOCKETING DEPT.

Re: Resale Agreement Between Horry Telephone Cooperative, Inc.
and FLATEL, Inc.

Dear Mr. Terreni:

Enclosed for filing please find three (3) copies of the Resale Agreement Between Horry Telephone Cooperative, Inc. and FLATEL, Inc. This agreement is being submitted for the Commission's approval pursuant to 47 U.S.C. § 252(e).

Please clock in a copy and return it with our courier.

Thank you for your assistance.

Very truly yours,

Margaret M. Fox

Margaret M. Fox

SC PUBLIC
COMMISSION
2006 DEC -6 PM 3:00
FILED

MMF/rwm
Enclosures

cc: Bill Rabon

STANDARD RESALE AGREEMENT

Horry Telephone Cooperative, Inc.

and

FLATEL, Inc.

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RESALE AGREEMENT

This Agreement is between FLATEL, Inc. "CLEC" and Horry Telephone Cooperative, Inc. ("HORRY") hereinafter collectively, "the Parties", entered into this 27TH day of November, 2006, for the State of South Carolina.

WHEREAS, the Parties wish to establish terms and conditions for the purposes of allowing the CLEC to have access to HORRY services for the purpose of resale; and

WHEREAS, the Parties intend the rates, terms and conditions of this Agreement, and their performance of obligations thereunder, to comply with the Communications Act of 1934, as amended (the "Act"), the Rules and Regulations of the Federal Communications Commission ("FCC"), and the orders, rules and regulations of the South Carolina Public Service Commission (the "Commission"); and

WHEREAS, the parties wish to replace any and all other prior agreements, both written and oral, applicable to the state of South Carolina;

THEREFORE, the Parties hereby agree as follows:

PART A -- DEFINITIONS

1. DEFINED TERMS

- 1.1. Certain terms used in this Agreement shall have the meanings as otherwise defined throughout this Agreement. Other terms used but not defined herein will have the meanings ascribed to them in the Act or in the Rules and Regulations of the FCC or the Commission. The Parties acknowledge that other terms appear in this Agreement, which are not defined or ascribed as stated above. The parties agree that any such terms shall be construed in accordance with their customary usage in the telecommunications industry as of the effective date of this Agreement.
- 1.2. "ACT" means the Communications Act of 1934, as amended.
- 1.3. "AFFILIATE" is as defined in the Act.
- 1.4. "CENTRAL OFFICE SWITCH, END OFFICE OR TANDEM (HEREINAFTER "CENTRAL OFFICE" OR "CO")" means a switching facility within the public switched telecommunications network, including but not limited to:
 - 1.4.1. End Office Switches, which are switches from which end-user Telephone Exchange Services are directly connected and offered.
 - 1.4.2. Tandem Switches, are switches, which are used to connect and switch trunk circuits between and among Central Office Switches.
- 1.5. "COMMISSION" means the South Carolina Public Service Commission.
- 1.6. "COMMERCIAL MOBILE RADIO SERVICES ("CMRS")" means a radio communication service as set forth in 47 CFR § 20.3.
- 1.7. "COMPETITIVE LOCAL EXCHANGE CARRIER ("CLEC") OR ALTERNATIVE LOCAL EXCHANGE CARRIER ("ALEC")" means any entity or person authorized to provide local exchange services in competition with an ILEC.
- 1.8. "EFFECTIVE DATE" is either thirty (30) days after the date referenced in the opening paragraph of the Agreement, the filing date of this Agreement with the Commission if the Commission has defined the Effective Date as such, or as otherwise required by the Commission. Absent specific Commission rules to the contrary, the Effective Date shall be no earlier than proof of CLEC certification in the jurisdiction.
- 1.9. "ELECTRONIC INTERFACES" means access to operations support systems consisting of pre-ordering, ordering, provisioning, maintenance and repair and billing functions.
- 1.10. "FCC" means the Federal Communications Commission.
- 1.11. "INCUMBENT LOCAL EXCHANGE CARRIER ("ILEC")" is any local exchange carrier that was, as of February 8, 1996, deemed to be a member of the Exchange Carrier Association as set forth in 47 CFR § 69.601(b) of the FCC's regulations.
- 1.12. "INTEREXCHANGE CARRIER ("IXC")" means a provider of interexchange telecommunications services.

- 1.13. "LOCAL SERVICE REQUEST ("LSR")" means an industry standard form or a mutually agreed upon change thereof, used by the Parties to add, establish, change or disconnect local services.
- 1.14. "LOCAL TRAFFIC" means traffic (excluding CMRS traffic) that is originated and terminated within HORRY's local calling area, or mandatory expanded area service (EAS) area, as defined by State commissions or, if not defined by State commission, then as defined in existing HORRY Tariffs.
- 1.15. "ORDERING AND BILLING FORUM ("OBF")" refers to functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS).
- 1.16. "PARITY" means, subject to the availability, development and implementation of necessary industry standard Electronic Interfaces, the provision by HORRY of services, Network Elements, functionality or telephone numbering resources under this Agreement to Carrier on terms and conditions, including provisioning and repair intervals, at least equal in quality to those offered to HORRY, its Affiliates or any other entity that obtains such services, Network Elements, functionality or telephone numbering resources . Until the implementation of necessary Electronic Interfaces, HORRY shall provide such services, Network Elements, functionality or telephone numbering resources on a non-discriminatory basis to CLEC as it provides to its Affiliates.
- 1.17. "PARTIES" means, jointly, CLEC and Horry Telephone Cooperative, Inc. and no other entity, affiliate, subsidiary or assign.
- 1.18. "REBRANDING" occurs when CLEC purchases a wholesale service from HORRY when the CLEC brand is substituted for the HORRY brand.
- 1.19. "TARIFF" means a filing made at the state or federal level for the provision of a telecommunications service by a telecommunications carrier that provides for the terms, conditions and pricing of that service. Such filing may be required or voluntary and may or may not be specifically approved by the Commission or FCC.
- 1.20. "TELECOMMUNICATIONS" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.
- 1.21. "TELECOMMUNICATIONS CARRIER" means any provider of Telecommunications Services as defined in 47 USC § 153, (44).
- 1.22. "TELECOMMUNICATION SERVICES" means the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.
- 1.23. "WHOLESALE SERVICE" means Telecommunication Services that HORRY provides at retail to subscribers who are not telecommunications Carriers as set forth in 47 USC § 251(c)(4).
- 1.24. "WIRE CENTER" denotes a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched. Wire center can also denote a building in which one or more central offices, used for the provision of Basic Exchange Services and access services, are located.

PART B -- GENERAL TERMS AND CONDITIONS

1. SCOPE OF THIS AGREEMENT

- 1.1. This Agreement specifies the rights and obligations of each party with respect to the establishment of rates for resale of local telecommunications services.
- 1.2. HORRY shall not discontinue any Telecommunications Service provided or required hereunder without providing CLEC reasonable notice, as required by law, of such discontinuation of such service. HORRY agrees to cooperate with CLEC and/or the appropriate regulatory body in any transition resulting from such discontinuation of service.
- 1.3. The services and facilities to be provided to CLEC by HORRY in satisfaction of this Agreement will be provided pursuant to HORRY Tariffs and then current practices on file with the appropriate Commission or FCC.

2. REGULATORY APPROVALS

- 2.1. This Agreement, and any amendment or modification hereof, will be submitted to the Commission for approval in accordance with § 252 of the Act within thirty (30) days after obtaining the last required contract signature. HORRY and CLEC shall use their best efforts to obtain approval of this Agreement by any regulatory body having jurisdiction over this Agreement. CLEC shall not order services under this Agreement before the Effective Date as defined herein, except as may otherwise be agreed in writing between the Parties. In the event any governmental authority or agency rejects any provision hereof, the Parties shall negotiate promptly and in good faith such revisions as may reasonably be required to achieve approval.
- 2.2. The Parties acknowledge that the respective rights and obligations of each Party as set forth in this Agreement are based on the text of the Act and the rules and regulations promulgated thereunder by the FCC and the Commission as of the Effective Date ("Applicable Rules"). In the event of any amendment to the Act, any effective legislative action or any effective regulatory or judicial order, rule, regulation, arbitration award, dispute resolution procedures under this Agreement or other legal action purporting to apply the provisions of the Act to the Parties or in which the FCC or the Commission makes a generic determination that is generally applicable which revises, modifies or reverses the Applicable Rules (individually and collectively, Amended Rules), either Party may, by providing written notice to the other party, require that the affected provisions of this Agreement be renegotiated in good faith and this Agreement shall be amended accordingly to reflect the pricing, terms and conditions of each such Amended Rules relating to any of the provisions in this Agreement.
- 2.3. Notwithstanding any other provision of this Agreement to the contrary § 2.2 hereof shall control. Any rates, terms or conditions thus developed or modified shall be substituted in place of those previously in effect and shall be deemed to have been effective under this Agreement as of the effective date established by the Amended Rules, whether such action was commenced before or after the Effective Date of this Agreement. Should the Parties be unable to reach agreement with respect to the applicability of such order or the resulting appropriate modifications to this Agreement, either party may invoke the Dispute Resolution provisions of this Agreement, it being the intent of the parties that this

Agreement shall be brought into conformity with the then current obligations under the Act as determined by the Amended Rules.

- 2.4. Additional services, beyond those specified herein, requested by either party relating to the subject matter of this Agreement will be incorporated into this Agreement by written amendment hereto.

3. TERM AND TERMINATION

- 3.1. This Agreement shall be deemed effective upon the Effective Date, provided however that if CLEC has any outstanding past due obligations to HORRY, this Agreement will not be effective until such time as any past due obligations with HORRY are paid in full. No order or request for services under this Agreement shall be processed before the Effective Date.
- 3.2. Except as provided herein, HORRY and CLEC agree to provide service to each other on the terms of this Agreement for a period ending two (2) years from the Effective Date of this Agreement ("End Date").
- 3.3. In the event that CLEC desires uninterrupted service under this Agreement during negotiations, CLEC shall provide to HORRY written notification appropriate under the Act, and if the Parties are actually in arbitration or mediation before the appropriate Commission or FCC prior to the End Date, this Agreement will continue in effect only until the issuance of an order, whether a final non-appealable order or not, by the Commission or FCC resolving the issues set forth in such arbitration or mediation request.
- 3.4. In the event of default, either Party may terminate this Agreement in whole or in part provided that the non-defaulting Party so advises the defaulting Party in writing of the event of the alleged default and the defaulting Party does not remedy the alleged default within sixty (60) days after written notice thereof. Default is defined to include:
 - 3.4.1. Either Party's insolvency or initiation of bankruptcy or receivership proceedings by or against the Party; or
 - 3.4.2. Either Party's material breach of any of the terms or conditions hereof, including the failure to make any undisputed payment when due.
- 3.5. Termination of this Agreement for any cause shall not release either Party from any liability which at the time of termination has already accrued to the other Party or which thereafter may accrue in respect to any act or omission prior to termination or from any obligation which is expressly stated herein to survive termination.
- 3.6. In the event this Agreement is terminated under § 3.4, HORRY may immediately discontinue processing orders for new service from CLEC and file with the Commission to terminate this agreement and reassign CLEC's customers pursuant to the Commission's guidelines for CLECs that abandon service.
- 3.7. Notwithstanding the above, should HORRY sell or trade substantially all the assets in an exchange or group of exchanges that HORRY uses to provide Telecommunications Services, then HORRY may terminate this Agreement in whole or in part as to that particular exchange or group of exchanges upon sixty (60) days prior written notice.

4. POST TERMINATION INTERIM SERVICE ARRANGEMENTS

- 4.1. In the event that this Agreement expires under § 3.2, it is the intent of the Parties to provide in this Section for interim service arrangements between the Parties at the time of expiration so that service to end users will not be interrupted should a new agreement not be consummated prior to the End Date. Therefore, except in the case of termination as a result of either Party's default under § 3.4, or for termination upon sale under § 3.7, for service made available under this Agreement and existing as of the End Date, the Parties agree that those services may continue uninterrupted at the request of either Party provided that:
- 4.1.1. a new agreement is voluntarily entered into by the Parties; or
 - 4.1.2. service is provided under such standard terms and conditions or tariffs approved by and made generally available by the Commission, if they exist at the time of termination; or
 - 4.1.3. CLEC elects to take service pursuant to the entire terms and conditions of an existing agreement between HORRY and another CLEC for the remaining term of that agreement. If neither § 4.1.1 nor § 4.1.2 are in effect, and CLEC does not designate an agreement under this subsection HORRY may designate such agreement.

5. CHARGES AND PAYMENT

- 5.1. In consideration of the services provided under this Agreement, the Parties shall pay the charges set forth in the Horry Telephone Cooperative, Inc. General Customer Services Tariff less the discount rate specified in Attachment I subject to the provisions of §§ 2.2 and 2.3 hereof.
- 5.2. Subject to the terms of this Agreement, the Parties shall pay invoices by the due date shown on the invoice. For invoices not paid when due, late payment charges will be assessed under § 5.4. If the payment due date is a Saturday, Sunday or a designated bank holiday, payment shall be made the next business day.
- 5.3. Billed amounts which are being investigated, queried, or for which claims have been filed, are not due for payment until such investigations, claims, or queries have been resolved in accordance with the provisions governing dispute resolution of this Agreement.
- 5.4. HORRY will assess late payment charges to the other CLEC just as it would its own end user in accordance with the applicable General Exchange tariff or, if there is no specific reference in the applicable General Exchange tariff, HORRY shall assess a late payment charge equal to the lesser of one and one-half percent (1.5%) or the maximum rate allowed by law per month of the balance due, until the amount due is paid in full.
- 5.5. In addition to late payment charges, HORRY will use the following collection procedures in connection with CLEC's past due amounts.
- 5.5.1. First, a late payment charge will be added to the account balance that is not paid by the time of the next billing period.
 - 5.5.2. Second, a late notice will be sent to CLEC stating that unless full payment is received within the designated time period HORRY will suspend processing new orders.

- 5.5.3. Third, if the CLEC account remains delinquent beyond the date noted on the late notice, HORRY will suspend processing new orders and service for all CLEC end user customers will be temporarily suspended.
- 5.5.4. Fourth, should the CLEC account remain outstanding beyond 30 days HORRY will deny service and send a letter to CLEC stating that their service has been suspended for non-payment.
- 5.6. HORRY reserves the right to periodically revise its collection procedure to conform to then current business practices and regulations. HORRY will provide timely notification to CLEC of changes to its collection practice in a manner consistent with its own customer notification.

6. AUDITS AND EXAMINATIONS

- 6.1. As used herein "Audit" shall mean a comprehensive review of services performed under this Agreement. Either party (the "Requesting Party") may perform one (1) Audit per 12-month period commencing with the Effective Date.
- 6.2. Upon thirty (30) days written notice by the Requesting Party to the other "Audited Party," Requesting Party shall have the right through its authorized representative to make an Audit, during normal business hours, of any records, accounts and processes which contain information bearing upon the provision of the services provided and performance standards agreed to under this Agreement. Within the above-described 30-day period, the Parties shall reasonably agree upon the scope of the Audit, the documents and processes to be reviewed, and the time, place and manner in which the Audit shall be performed. Audited Party agrees to provide Audit support, including appropriate access to and use of Audited Party's facilities (e.g., conference rooms, telephones, copying machines).
- 6.3. Each party shall bear its own expenses in connection with the conduct of the Audit. The Requesting Party will pay for the reasonable cost of special data extraction required by the Requesting Party to conduct the Audit. For purposes of this § 6.3, a special data extraction shall mean the creation of an output record or informational report (from existing data files) that is not created in the normal course of business. If any program is developed to Requesting Party's specifications and at Requesting Party's expense, Requesting Party shall specify at the time of request whether the program is to be retained by Audited party for reuse for any subsequent Audit.
- 6.4. Adjustments, credits or payments shall be made and any corrective action shall commence within thirty (30) days from Requesting Party's receipt of the final audit report to compensate for any errors or omissions which are disclosed by such Audit and are agreed to by the Parties. One and one-half percent (1.5 %) or the highest interest rate allowable by law for commercial transactions, whichever is lower, shall be assessed and shall be computed by compounding monthly from the time of the error or omission to the day of payment or credit.
- 6.5. Neither the right to audit nor the right to receive an adjustment shall be affected by any statement to the contrary appearing on checks or otherwise, unless a statement expressly waiving such right appears in writing, is signed by an authorized representative of the party having such right and is delivered to the other party in a manner sanctioned by this Agreement.
- 6.6. This Article 6 shall survive expiration or termination of this Agreement for a period of one (1) year after expiration or termination of this Agreement.

7. INTELLECTUAL PROPERTY RIGHTS

- 7.1. Any intellectual property which originates from or is developed by a Party shall remain in the exclusive ownership of that Party. Except for a limited license to use patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right now or hereafter owned, controlled or licensable by a Party, is granted to the other Party or shall be implied or arise by estoppel. It is the responsibility of HORRY to ensure, at no separate or additional cost to the CLEC, that it has obtained any necessary licenses in relation to intellectual property of third parties used in HORRY's network to the extent of HORRY's own use of facilities or equipment (including software) in the provision of service to its end user customers, but not that may be required to enable CLEC to use any facilities or equipment (including software), to receive any service, to perform its respective obligations under this Agreement, or to provide service by CLEC to its end user customers.
- 7.2. Following notice of an infringement claim against HORRY based on the use by CLEC of a service or facility, CLEC shall at CLEC's expense, procure from the appropriate third parties the right to continue to use the alleged infringing intellectual property or if CLEC fails to do so, HORRY may charge CLEC for such costs as permitted under a Commission order.

8. LIMITATION OF LIABILITY

- 8.1. Neither Party shall be responsible to the other for any indirect, special, consequential or punitive damages, including (without limitation) damages for loss of anticipated profits or revenue or other economic loss in connection with or arising from anything said, omitted, or done hereunder (collectively "Consequential Damages"), whether arising in contract or tort, provided that the foregoing shall not limit a Party's obligation under Article 9 to indemnify, defend, and hold the other Party harmless against amounts payable to third parties. Notwithstanding the foregoing, in no event shall either Party's liability to the other for a service outage exceed an amount equal to the proportionate charge for the service(s) provided for the period during which the service was affected.

9. INDEMNIFICATION

- 9.1. Each Party agrees to indemnify and hold harmless the other Party from and against claims for damage to tangible personal or real property and/or personal injuries arising out of the negligence or willful misconduct or omission of the indemnifying Party. To the extent not prohibited by law, each Party shall defend, indemnify, and hold the other Party harmless against any loss to a third party arising out of the negligence or willful misconduct by such indemnifying Party. Notwithstanding the above, in the case of any loss alleged or damage claim made by a Customer of either Party in connection with the service provided by that Party, and which allegation or claim relates in some way to a service provided under this Agreement, the Party whose customer alleged such loss shall indemnify the other Party and hold it harmless against any or all of such loss alleged by each and every Customer which arises out of the negligence or willful misconduct of the indemnifying Party. The indemnifying Party under this Section agrees to defend any suit brought against the other Party either individually or jointly with the indemnifying Party for any such loss, injury, liability, claim or demand. The indemnified Party agrees to notify the other Party

promptly, in writing, of any written claims, lawsuits, or demands for which it is claimed that the indemnifying Party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying Party shall have complete control over defense of the case and over the terms of any proposed settlement or compromise thereof. The indemnifying Party shall not be liable under this Section for settlement by the indemnified Party of any claim, lawsuit, or demand, if the indemnifying Party has not approved the settlement in advance, unless the indemnifying Party has had the defense of the claim, lawsuit, or demand tendered to it in writing and has failed to promptly assume such defense. In the event of such failure to assume defense, the indemnifying Party shall be liable for any reasonable settlement made by the indemnified Party without approval of the indemnifying Party.

- 9.2. Each Party agrees to indemnify and hold harmless the other Party from all claims and damages arising from the Indemnifying Party's discontinuance of service to one of the Indemnified Party's subscribers for nonpayment.
- 9.3. When the lines or services of other companies and CLECs are used in establishing connections to and/or from points not reached by a Party's lines, neither Party shall be liable for any act or omission of the other companies or CLECs.
- 9.4. In addition to its indemnity obligations hereunder, each Party shall, to the extent allowed by law or Commission Order, provide, in its Tariffs and contracts with its subscribers that relate to any Telecommunications Services provided or contemplated under this Agreement, that in no case shall such Party or any of its agents, contractors or others retained by such Party be liable to any subscriber or third party for (i) any loss relating to or arising out of this Agreement, whether in contract or tort, that exceeds the amount such Party would have charged the applicable subscriber for the service(s) or function(s) that gave rise to such loss, and (ii) Consequential Damages (as defined in Article 8 above).

10. REMEDIES

- 10.1. In addition to any other rights or remedies, and unless specifically provided herein and to the contrary, either Party may sue in equity for specific performance.
- 10.2. Except as otherwise provided herein, all rights of termination, cancellation or other remedies prescribed in this Agreement, or otherwise available, are cumulative and are not intended to be exclusive of other remedies to which the injured Party may be entitled at law or in equity in case of any breach or threatened breach by the other Party of any provision of this Agreement, and use of one or more remedies shall not bar use of any other remedy for the purpose of enforcing the provisions of this Agreement.

11. CONFIDENTIALITY AND PUBLICITY

- 11.1. All information which is disclosed by one party ("Disclosing Party") to the other ("Recipient") in connection with this Agreement, or acquired in the course of performance of this Agreement, shall be deemed confidential and proprietary to the Disclosing Party and subject to this Agreement, such information including but not limited to, orders for services, usage information in any form, and Customer Proprietary Network Information ("CPNI") as that term is defined by the Act and the rules and regulations of the FCC ("Confidential and/or Proprietary Information").

- 11.2. During the term of this Agreement, and for a period of one (1) year thereafter, Recipient shall (i) use it only for the purpose of performing under this Agreement, (ii) hold it in confidence and disclose it only to employees or agents who have a need to know it in order to perform under this Agreement, and (iii) safeguard it from unauthorized use or Disclosure using no less than the degree of care with which Recipient safeguards its own Confidential Information.
- 11.3. Recipient shall have no obligation to safeguard Confidential Information (i) which was in the Recipient's possession free of restriction prior to its receipt from Disclosing Party, (ii) which becomes publicly known or available through no breach of this Agreement by Recipient, (iii) which is rightfully acquired by Recipient free of restrictions on its Disclosure, or (iv) which is independently developed by personnel of Recipient to whom the Disclosing Party's Confidential Information had not been previously disclosed. Recipient may disclose Confidential Information if required by law, a court, or governmental agency, provided that Disclosing Party has been notified of the requirement promptly after Recipient becomes aware of the requirement, and provided that Recipient undertakes all lawful measures to avoid disclosing such information until Disclosing Party has had reasonable time to obtain a protective order. Recipient agrees to comply with any protective order that covers the Confidential Information to be disclosed.
- 11.4. Each Party agrees that Disclosing Party would be irreparably injured by a breach of this Article 11 by Recipient or its representatives and that Disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of this Article 11. Such remedies shall not be exclusive, but shall be in addition to all other remedies available at law or in equity.
- 11.5. Unless otherwise agreed, neither Party shall publish or use the other Party's logo, trademark, service mark, name, language, pictures, or symbols or words from which the other Party's name may reasonably be inferred or implied in any product, service, advertisement, promotion, or any other publicity matter, except that nothing in this paragraph shall prohibit a Party from engaging in valid comparative advertising. This § 11.5 shall confer no rights on a Party to the service marks, trademarks and trade names owned or used in connection with services by the other Party or its Affiliates, except as expressly permitted by the other Party.
- 11.6. Neither Party shall produce, publish, or distribute any press release nor other publicity referring to the other Party or its Affiliates, or referring to this Agreement, without the prior written approval of the other Party. Each party shall obtain the other Party's prior approval before discussing this Agreement in any press or media interviews. In no event shall either Party mischaracterize the contents of this Agreement in any public statement or in any representation to a governmental entity or member thereof.
- 11.7. Except as otherwise expressly provided in this Article 11, nothing herein shall be construed as limiting the rights of either Party with respect to its customer information under any applicable law, including without limitation § 222 of the Act.

12. DISCLAIMER OF WARRANTIES

- 12.1. EXCEPT AS SPECIFICALLY PROVIDED ELSEWHERE IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO QUALITY,

FUNCTIONALITY OR CHARACTERISTICS OF THE SERVICES PROVIDED PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE. NO REPRESENTATION OR STATEMENT MADE BY EITHER PARTY OR ANY OF ITS AGENTS OR EMPLOYEES, ORAL OR WRITTEN, INCLUDING, BUT NOT LIMITED TO, ANY SPECIFICATIONS, DESCRIPTIONS OR STATEMENTS PROVIDED OR MADE SHALL BE BINDING UPON EITHER PARTY AS A WARRANTY.

13. ASSIGNMENT AND SUBCONTRACT

- 13.1. If any Affiliate of either Party succeeds to that portion of the business of such Party that is responsible for, or entitled to, any rights, obligations, duties, or other interests under this Agreement, such Affiliate may succeed to those rights, obligations, duties, and interest of such Party under this Agreement. In the event of any such succession hereunder, the successor shall expressly undertake in writing to the other Party the performance and liability for those obligations and duties as to which it is succeeding a Party to this Agreement. Thereafter, the successor Party shall be deemed CLEC or HORRY and the original Party shall be relieved of such obligations and duties, except for matters arising out of events occurring prior to the date of such undertaking.
- 13.2. Except as herein before provided, and except for an assignment confined solely to moneys due or to become due, any assignment of this Agreement or of the work to be performed, in whole or in part, or of any other interest of a Party hereunder, without the other Party's written consent, which consent shall not be unreasonably withheld or delayed, shall be void. It is expressly agreed that any assignment of moneys shall be void to the extent that it attempts to impose additional obligations other than the payment of such moneys on the other Party or the assignee additional to the payment of such moneys.

14. GOVERNING LAW

- 14.1. This Agreement shall be governed by and construed in accordance with the Act and the FCC's Rules and Regulations, and other authoritative statements, except insofar as state law may control any aspect of this Agreement, in which case the domestic laws of the state of South Carolina, without regard to its conflicts of laws principles, shall govern.

15. RELATIONSHIP OF PARTIES

- 15.1. It is the intention of the Parties that each shall be an independent contractor and nothing contained herein shall constitute the Parties as joint venturers, partners, employees or agents of one another, and neither Party shall have the right or power to bind or obligate the other.

16. NO THIRD PARTY BENEFICIARIES

- 16.1. The provisions of this Agreement are for the benefit of the Parties hereto and not for any other person, and this Agreement shall not provide any person not a party hereto with any remedy, claim, liability, reimbursement, right of action, or other right in excess of those existing without reference hereto. This shall not be construed to prevent CLEC from providing its Telecommunications Services to other carriers.

17. NOTICES

- 17.1. Except as otherwise provided herein, all notices or other communication hereunder shall be deemed to have been duly given when made in writing and delivered in person, or sent by certified mail, postage prepaid, return receipt requested, on the date the mail is delivered or its delivery attempted.

If to: Horry Telephone Cooperative, Inc.
Horry Business Interconnection Manager
 3480 Hwy 701 North
 P. O. Box 1820
 Conway, SC 29528

If to: FLATEL, Inc.
CLEC: 2300 Palm Beach Lakes Blvd
 Suite 100
 W Palm Beach, FL 33409

With a
Copy to:

With a
Copy to:

- 17.2. If personal delivery is selected to give notice, a receipt of such delivery shall be obtained. The address to which notices or communications may be given to either party may be changed by written notice given by such Party to the other pursuant to this Article 17.

18. WAIVERS

- 18.1. No waiver of any provisions of this Agreement and no consent to any default under this Agreement shall be effective unless the same shall be in writing and properly executed by or on behalf of the Party against whom such waiver or consent is claimed.
- 18.2. No course of dealing or failure of any Party to strictly enforce any term, right, or condition of this Agreement in any instance shall be construed as a general waiver or relinquishment of such term, right or condition.
- 18.3. Waiver by either party of any default by the other Party shall not be deemed a waiver of any other default.

19. SURVIVAL

- 19.1. Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect to any act or omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination including but not limited to §§ 5,6 , 7, 8, 9, 10, 11, 14, 18, 21, 23, and 25.

20. FORCE MAJEURE

- 20.1. Neither Party shall be held liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, strikes, work stoppage affecting a supplier or unusually severe weather. No delay or other failure to perform shall be excused pursuant to this Article 20 unless delay or failure and consequences thereof are beyond the control and without the fault or negligence of the Party

claiming excusable delay or other failure to perform. Subject to Article 3 hereof, in the event of any such excused delay in the performance of a Party's obligation(s) under this Agreement, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of the delay. In the event of such delay, the delayed Party shall perform its obligations at a performance level no less than that which it uses for its own operations. In the event of such performance delay or failure by Horry, Horry agrees to resume performance in a nondiscriminatory manner and not favor its own provision of Telecommunications Services above that of CLEC.

21. DISPUTE RESOLUTION PROCEDURES

- 21.1. If any matter is subject to a bona fide dispute between the Parties, the disputing Party shall within thirty (30) days of the event giving rise to the dispute, give written notice to the other Party of the dispute and include in such notice the specific details and reasons for disputing each item.
- 21.2. If the Parties are unable to resolve the issues related to the dispute in the normal course of business within thirty (30) days after delivery of notice of the Dispute, to the other Party the dispute shall be escalated to a designated representative who has authority to settle the dispute and who is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute, but in no event shall such resolution exceed 60 days from the initial notice. The specific format for such discussions will be left to the discretion of the designated representatives, provided, however, that all reasonable requests for relevant information made by one Party to the other Party shall be honored.
- 21.3. After such period either Party may file a complaint with the FCC or Commission to resolve such issues.

22. COOPERATION ON FRAUD

- 22.1. The Parties agree that they shall cooperate with one another to investigate, minimize and take corrective action in cases of fraud. The Parties fraud minimization procedures are to be cost effective and implemented so as not to unduly burden or harm one party as compared to the other.

23. TAXES

- 23.1. Any Federal, state or local excise, license, sales, use, or other taxes or tax-like charges (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes is placed upon the other party. Any such taxes shall be shown as separate items on applicable billing documents between the Parties. The Party obligated to collect and remit taxes shall do so unless the other Party provides such Party with the required evidence of exemption. The Party so obligated to pay any such taxes may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such party shall not permit any lien to exist on any asset of the other party by reason of the contest. The Party obligated to collect and remit taxes shall

cooperate fully in any such contest by the other Party by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest.

24. AMENDMENTS AND MODIFICATIONS

24.1. No provision of this Agreement shall be deemed waived, amended or modified by either party unless such a waiver, amendment or modification is in writing, dated, and signed by both Parties.

25. SEVERABILITY

25.1. Subject to Article 2, if any part of this Agreement becomes or is held to be invalid for any reason, such invalidity will affect only the portion of this Agreement which is invalid. In all other respects this Agreement will stand as if such invalid provision had not been a part thereof, and the remainder of the Agreement shall remain in full force and effect.

26. HEADINGS NOT CONTROLLING

26.1. The headings and numbering of Article, Sections, Parts and Attachments in this Agreement are for convenience only and shall not be construed to define or limit any of the terms herein or affect the meaning or interpretation of this Agreement.

27. ENTIRE AGREEMENT

27.1. This Agreement, including all Parts and Attachments and subordinate documents attached hereto or referenced herein, all of which are hereby incorporated by reference, constitute the entire matter thereof, and supersede all prior oral or written agreements, representations, statements, negotiations, understandings, proposals, and undertakings with respect to the subject matter thereof.

28. COUNTERPARTS

28.1. This Agreement may be executed in counterparts. Each counterpart shall be considered an original and such counterparts shall together constitute one and the same instrument.

29. SUCCESSORS AND ASSIGNS

29.1. This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and permitted assigns.

30. IMPLEMENTATION

30.1. This Agreement sets forth the overall terms and conditions, and standards of performance for services, processes, and systems capabilities that the Parties will provide to each other. The Parties understand that the arrangements and provision of services described in this Agreement shall require technical and operational coordination between the Parties. Accordingly, the Parties may agree to form a team that shall further develop and identify those processes, guidelines, specifications, standards and additional terms and conditions necessary to support the terms of this Agreement.

PART C – PROVISIONS RELATING TO RESALE

1. RESALE OF LOCAL SERVICES

1.1. Scope

- 1.1.1. HORRY retail Telecommunications Services shall be available for resale at wholesale prices pursuant to 47 USC § 251(c)(4). Services that are not retail Telecommunications Services and, thus, not covered by this Agreement and not available for resale at wholesale prices include, but are not limited to, Paging, Inside Wire Installation and Maintenance, CMRS services, Lifeline services and similar government programs (underlying Telecommunications Service will be resold but CLEC must qualify its offering for these programs), promotions of ninety (90) days or less and Employee Concessions.
- 1.1.2. COCOT lines or Pay Telephone Access Lines will be sold at wholesale prices to CLEC for the purposes of resale to third parties providing pay telephone service to the public. Provision of pay telephone service by CLEC directly to the public or resale to entities or organizations affiliated with or having the same or substantially similar identity as CLEC, using COCOT lines or Pay Telephone Access Lines purchased at wholesale, is not allowable resale under the Agreement and is a material breach of the terms of this Agreement pursuant to Part B, 3.4.2.
- 1.1.3. Except as set forth above and as may be allowed by the FCC or Commission, HORRY shall not place conditions or restrictions on CLEC's resale of wholesale regulated Telecommunications Services, except for restrictions on the resale of residential service to other classifications (e.g., residential service to business customers) and for promotions of 90-days or less in length. In addition, CLEC shall be prohibited from marketing its products using the HORRY product name (i.e., CLEC may purchase an HORRY feature package but shall be prohibited from reselling this product using the HORRY brand name or the HORRY product name of the feature package). Every regulated retail service rate, including promotions over ninety (90) days in length, discounts, and option plans will have a corresponding wholesale rate. HORRY will make wholesale telecommunications service offerings available for all new regulated services at the same time the retail service becomes available.
- 1.1.4. HORRY will continue to provide existing databases and signaling support for wholesale services at no additional cost.
- 1.1.5. HORRY will make any service grandfathered to an end-user or any Individual Case Basis ("ICB") service available to CLEC for resale to that same end-user at the same location(s). Should HORRY discontinue any grandfathered or ICB service HORRY will provide to CLEC any legally required notice as soon as practicable and at least equal in quality and timeliness to that which is provided to HORRY's own customers, prior to the effective date of changes in or discontinuation of any product or service that is available for resale under this Subsection.
- 1.1.6. HORRY shall have the right to review and audit any records of CLEC, in accordance with Part B, Article 6 of this Agreement, to determine

whether CLEC is in compliance with the conditions or restrictions on resale provided in this Article 1.

- 1.1.7. HORRY will continue to provide Primary Interexchange Carrier ("PIC") processing for those end-users obtaining resold service from CLEC. HORRY will bill and CLEC will pay any PIC change charges. HORRY will only accept said requests for PIC changes from CLEC and not from CLEC's end users.
- 1.1.8. HORRY shall allow CLEC customers to retain their current telephone number when technically feasible within the same HORRY Wire Center and shall install CLEC customers at Parity unless CLEC customers currently subscribe to Vacation Service only or are currently in the process of having their service suspended for non-pay. In such cases HORRY will treat the CLEC customer as a new installation at the request of the CLEC.

1.2. Charges and Billing

- 1.2.1. Access services, including revenues associated therewith, provided in connection with the resale of services hereunder shall be the responsibility of HORRY and HORRY shall directly bill and receive payment on its own behalf from an IXC for access related to interexchange calls generated by resold or rebranded customers.
- 1.2.2. HORRY will be responsible for returning EMI/EMR records to IXCs with the proper EMR Return Code along with the Operating Company Number ("OCN") of the associated Automatic Number Identification ("ANI"), (i.e., Billing Number).
- 1.2.3. HORRY will deliver a monthly statement for wholesale services as follows:
 - 1.2.3.1. Invoices will be provided in a standard Carrier access billing format or other such format as HORRY may determine;
 - 1.2.3.2. Originating local usage, at the call detail level and in standard EMR industry format, will be exchanged daily or at other mutually agreed upon intervals in those instances in which CLEC and the user choose HORRY-provided services that are local usage sensitive and create message detail;
 - 1.2.3.3. The Parties will work cooperatively to exchange information to facilitate the billing of in and out collect and inter/intra-region alternately billed messages;
 - 1.2.3.4. HORRY agrees to provide information on the end-user's selection of special features where HORRY maintains such information (e.g., billing method, special language) when CLEC places the order for service;
 - 1.2.3.5. Monthly recurring charges for Telecommunications Services sold pursuant to this Agreement shall be billed monthly in advance.
- 1.2.4. For billing purposes, and except as otherwise specifically agreed to in writing, the Telecommunications Services provided hereunder are furnished for a minimum term of one month. Each month is presumed to

have thirty (30) days. HORRY shall bill for message provisioning, data tape charges, and for additional copies of the monthly invoice.

1.3. Pricing

- 1.3.1. Pricing shall be developed based on 47 USC § 252(d)(3), as now enacted or as hereafter amended, where wholesale prices are retail prices less avoided costs, net of any additional costs imposed by wholesale operations, unless otherwise ordered by the Commission. The wholesale rate shall be as set forth on Attachment I. Additional rates for new or additional services shall be added at the time said new or additional services are offered.

1.4. Provisioning and Installation

- 1.4.1. Electronic Interfaces for the exchange of ordering information will be made available to CLEC in accordance with HORRY operating procedures.
- 1.4.2. CLEC and HORRY may order Primary Local Carrier ("PLC") and PIC records changes using the same order process and on a unified order (the "LSR").
- 1.4.3. A general Letter of Agency ("LOA") initiated by CLEC or HORRY will be required to process a PLC or PIC change order. No LOA signed by the end-user will be required to process a PLC or PIC change ordered by CLEC or HORRY. CLEC and HORRY agree that PLC and PIC change orders will be supported with appropriate documentation and verification as required by FCC and Commission rules. In the event of a subscriber complaint of an unauthorized PLC record change where the Party that ordered such change is unable to produce appropriate documentation and verification as required by FCC and Commission rules, or, if there are no rules applicable to PLC record changes, then such rules as are applicable to changes in long distance CLECs of record shall apply, such Party shall be liable to pay and shall pay all nonrecurring charges associated with reestablishing the subscriber's local service with the original local CLEC as well as an Unauthorized Local Service Provider Change Charge as detailed in the applicable State Local Access Tariff.
- 1.4.4. Each Party will provide the other, if requested, as agent of the end-user customer, at the time of the PLC order, current "As Is" pre-ordering/ordering information relative to the end-user consisting of local features, products, services, elements, combinations, and any customer status qualifying the customer for a special service (e.g., DA exempt, lifeline, etc.) provided by the Party to that end-user. Each Party is responsible for ordering the Telecommunications Services desired by the end-user customer.
- 1.4.5. HORRY shall provide CLEC the ability to obtain telephone numbers, including vanity numbers from HORRY where HORRY offers these services to its end users, and to assign these numbers with the CLEC customer. Reservation and aging of numbers remain the responsibility of the HORRY. CLEC shall pay HORRY the reasonable administrative costs of this function, and the monthly recurring charges listed in the appropriate State Local Access Tariff.

- 1.4.6. Horry shall provide CLEC the ability to order all available features on its switches at parity with what Horry offers to its own end user customers (e.g., call blocking of 900 and 976 calls by line or trunk).
- 1.4.7. Horry will direct customer to CLEC for requests changing their CLEC service. Horry shall process all PIC changes provided by CLEC on behalf of IXCs. If PIC changes are received by Horry directly from IXCs, Horry shall reject the PIC change back to the IXC with the OCN of CLEC in the appropriate field of the industry standard CARE record.

2. NETWORK MAINTENANCE AND MANAGEMENT

2.1. General Requirements

- 2.1.1. The Parties will exchange appropriate network maintenance information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the government, etc.).
- 2.1.2. Each Party shall provide a 24-hour contact number for network service issues. A fax number must also be provided to facilitate event notifications for planned mass calling events. The Parties shall agree upon appropriate network service control capabilities.
- 2.1.3. Voice response units, similar technologies, intercept solutions or live referrals should be used, where available to refer/transfer calls from customers to the proper Telecommunications Carrier for action. Neither Party shall market to end-users during a call when that customer contacts the Party solely as a result of a misdirected call.
- 2.1.4. Notice of Network Event. Each party has the duty to alert the other to any network events that can result or have resulted in service interruption, blocked calls, or negative changes in network performance as follows:
 - 2.1.4.1. Any cable or electronics outage that affects 50% or more of the in-service lines of a central office or 1000 access lines, whichever is less with a duration of two (2) minutes or more.
 - 2.1.4.2. Toll or EAS isolation of an entire exchange with duration of two (2) minutes or more.
 - 2.1.4.3. Any digital cross-connect or fiber optic complete system failure lasting two (2) minutes or more.
- 2.1.5. Notice of Network Change. The Parties agree to provide each other reasonable notice of changes including the information necessary for the transmission and routing of services using that local exchange carrier's facilities or networks, as well as other changes that would affect the interoperability of those facilities and networks. Correct Local Exchange Routing Guide (LERG) data is considered part of this requirement.
- 2.1.6. Horry will close all trouble reports with CLEC. CLEC will close all trouble reports with its end-user.

- 2.1.7. HORRY shall perform all testing for resold Telecommunications Services.
- 2.1.8. HORRY shall provide test results to CLEC, if appropriate, for trouble clearance. In all instances, HORRY shall provide CLEC with the disposition of the trouble.
- 2.1.9. If HORRY initiates trouble handling procedures, it will bear all costs associated with that activity. If CLEC requests the trouble dispatch, then CLEC will bear the cost.
- 2.1.10. A non-branded, customer-not-at-home card shall be left by HORRY at the customer's premises when a CLEC customer is not at home for an appointment and HORRY performs repair or installation services on behalf of CLEC.
- 2.2. Transfer of Service Announcements. When an end-user who continues to be located within the local calling area changes from HORRY to CLEC and does not retain its original telephone number which was provided by HORRY, HORRY will provide a new number announcement on the inactive telephone number upon request, for a minimum period of ninety (90) days (or some shorter reasonable period, as permitted by the Commission, when numbers are in short supply), at no charge to the end-user or the CLEC unless HORRY has a Tariff on file to charge end-users. This announcement will provide details on the new number to be dialed to reach this customer where available.
- 2.3. Repair Calls. CLEC and HORRY will employ the following procedures for handling misdirected repair calls:
 - 2.3.1. CLEC and HORRY will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus.
 - 2.3.2. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end-user will be provided the correct contact telephone number. In responding to repair calls, neither Party shall make disparaging remarks about the other, nor shall they use these repair calls as the basis for internal referrals or to solicit customers or to market services. Either Party may respond with accurate information in answering customer questions.
 - 2.3.3. CLEC and HORRY will provide their respective repair contact numbers to one another on a reciprocal basis.
- 2.4. Restoration of Service in the Event of Outages. HORRY restoration of service in the event of outages due to equipment failures, human error, fire, natural disaster, acts of God, or similar occurrences shall be performed in accordance with the following priorities. First, restoration priority shall be afforded to those services affecting its own end-users and identified CLEC end-users relative to national security or emergency preparedness capabilities and those affecting public safety, health, and welfare, as those elements and services are identified by the appropriate government agencies. Second, restoration priority shall be afforded between HORRY and CLEC in general. Third, should HORRY be providing or performing Tandem Switching functionality for CLEC, third level priority restoration should be afforded to any trunk. Lastly, all service shall be restored as expeditiously as practicable and in a non-discriminatory manner.

- 2.5. Service Projections. CLEC shall make available to HORRY periodic service projections, on a semiannual basis.
- 2.6. Quality of Service
 - 2.6.1. Upon deployment of Electronic Interfaces, HORRY shall provide CLEC with the same intervals and level of service provided by HORRY to its end-users or other CLECs at any given time.
 - 2.6.2. Upon deployment of Electronic Interfaces, HORRY shall provide CLEC maintenance and repair services in a manner that is timely, consistent with service provided to HORRY end-users and/or other CLECs.

3. ADDITIONAL SERVICES

- 3.1. 911/E911
 - 3.1.1. Where HORRY is the owner or operator of the 911/E911 database, HORRY will maintain daily updating of 911/E911 database information related to CLEC end-users.
 - 3.1.2. HORRY will provide CLEC a default arrangement/disaster recovery plan including an emergency back-up number in case of massive trunk failures.
- 3.2. Directory Listings and Distribution
 - 3.2.1. White Page Directories; Distribution; Use of Listing Information
 - 3.2.1.1 HORRY agrees to include one basic White Pages listing for each CLEC customer located with the geographic scope of its White Pages directories, at no additional charge to CLEC. A basic White Pages listing is defined as a customer name, address and either the CLEC assigned number for a customer or the number for which number portability is provided, but not both numbers. Basic White Pages listing of CLEC customers will be interfiled with listings of HORRY and other CLEC customers.
 - 3.2.1.2 CLEC agrees to provide CLEC customer listing information, including without limitation directory distribution information, to HORRY at no charge. HORRY will provide CLEC with the appropriate format for provision of CLEC customer listing information and service order updates to HORRY.
 - 3.2.1.3 HORRY agrees to provide White Pages database maintenance services to CLEC. CLEC will be charged a Service Order entry fee upon submission of Service Orders into HORRY's Service Order Entry System, which will include compensation for such database maintenance services. Service Order entry fees apply when Service Orders containing directory records are entered in HORRY's Service Order Entry System initially, and when Service Orders are entered in order to process a requested change to directory records.

- 3.2.1.4 CLEC customer listing information will be used solely for the provision of directory services, including the sale of directory advertising to CLEC customers.
- 3.2.1.5 In addition to a basic White Pages listing, HORRY will provide, at the rates set forth in the appropriate HORRY Tariff, Tariffed White Pages listings (e.g., additional, alternate, foreign and non-published listings) for CLEC to offer for resale to CLEC's customers.
- 3.2.1.6 HORRY will exercise reasonable efforts to cause its publisher to provide White Pages distribution services to CLEC customers within HORRY's service territory at no additional charge to CLEC. HORRY represents that the quality, timeliness, and manner of such distribution services will be at parity with those provided to HORRY and to other CLEC customers provided that CLEC provides required information and meets criteria and specifications established by its directory publisher.
- 3.2.1.7 HORRY will exercise reasonable efforts to cause its directory publisher to include critical contact information pertaining to CLEC in the "Information Pages" of those of its White Pages directories provided that CLEC meets criteria established by its directory publisher.
- 3.2.2 HORRY will accord CLEC customer listing information the same level of confidentiality that HORRY accords its own proprietary customer listing information. HORRY shall ensure that access to CLEC customer proprietary listing information will be limited solely to those of HORRY and HORRY's directory publisher's employees, agents and contractors that are directly involved in the preparation of listings, the production and distribution of directories, and the sale of directory advertising. HORRY will advise its own employees, agents and contractors and its directory publisher of the existence of this confidentiality obligation and will take appropriate measures to ensure their compliance with this obligation. Notwithstanding any provision herein to the contrary, the furnishing of White Pages proofs to a CLEC that contains customer listings of both HORRY and CLEC will not be deemed a violation of this confidentiality provision.
- 3.2.3 HORRY will not sell or license CLEC's customer listing information to any third parties unless CLEC provides written notice to the contrary. Once HORRY's system is able to distinguish HORRY and CLEC listings, HORRY and CLEC will share in revenues derived from the sale or licensing of customer listing information net of administration expenses incurred by HORRY in providing such information to third parties.
- 3.2.4 Other Directory Services. HORRY will exercise reasonable efforts to cause its directory publisher to enter into a separate agreement with CLEC which will address other directory services desired by CLEC as described in this § 3.2. Both parties acknowledge that HORRY's directory publisher is not a party to this Agreement and that the provisions contained in this §3.2 are not binding upon HORRY's directory publisher.
 - 3.2.4.1 HORRY's directory publisher will negotiate with CLEC concerning the provision of a basic Yellow Pages listing to CLEC

customers located within the geographic scope of publisher's Yellow Pages directories and distribution of Yellow Pages directories to CLEC customers.

- 3.2.4.2 Directory advertising will be offered to CLEC customers on a nondiscriminatory basis and subject to the same terms and conditions that such advertising is offered to Horry and other CLEC customers. Directory advertising will be billed to CLEC customers by directory publisher.
- 3.2.4.3 Directory publisher will use commercially reasonable efforts to ensure that directory advertising purchased by customers who switch their service to CLEC is maintained without interruption.
- 3.2.4.4 Information pages, in addition to any information page or portion of an information page containing critical contact information as described above in § 3.2.1.7, may be purchased from Horry's directory publisher, subject to applicable directory publisher guidelines and regulatory requirements.
- 3.2.4.5 Directory publisher maintains full authority as publisher over its publishing policies, standards and practices, including decisions regarding directory coverage area, directory issue period, compilation, headings, covers, design, content or format of directories, and directory advertising sales.

3.3 Directory Assistance

3.3.1 General Requirements for Resale of Directory Assistance

- 3.3.1.1 Where Horry is a directory assistance service provider, at CLEC's request, subject to any existing system capacity restraints which Horry shall work to overcome, Horry will provide to CLEC resale of CLEC branded directory assistance service which is at parity with the directory assistance service Horry makes available to its own end-users.
- 3.3.1.2 Horry will make CLEC's data available to anyone calling Horry's DA and will update its database with CLEC's data at Parity with updates from its own data.
- 3.3.1.3 Horry may store proprietary customer information provided by CLEC in its Directory Assistance database; such information should be able to be identified by source provider in order to provide the necessary protection of CLEC's or CLEC customer's proprietary or protected information.
- 3.3.1.4 CLEC may limit Horry's use of CLEC's data to Directory Assistance or, pursuant to written agreement, grant greater flexibility in the use of the data subject to proper compensation.
- 3.3.1.5 Where Directory Assistance is a separate retail service provided by Horry, Horry will allow wholesale resale of Horry DA service.
- 3.3.1.6 To the extent Horry provides Directory Assistance service, CLEC will provide its listings to Horry via data and processed directory assistance feeds in accordance with an agreed upon

industry format. HORRY shall include CLEC listings in its Directory Assistance database.

3.3.1.7 CLEC has the right to license HORRY unbundled directory databases and sub databases and utilize them in the provision of its own DA service. To the extent that CLEC includes HORRY listings in its own Directory Assistance database, CLEC shall make HORRY's data available to anyone calling CLEC's DA.

3.3.1.8 HORRY will make available to CLEC all DA service enhancements on a non-discriminatory basis.

3.3.2 When requested by CLEC where CLEC provides its own DA, and if technically feasible, HORRY will route CLEC customer DA calls to CLEC DA centers at CLEC's expense.

3.3.3 Business Processes

3.3.3.1 HORRY will, consistent with § 222 of the Act, update and maintain the DA database with CLEC data, utilizing the same procedures it uses for its own customers, for those CLEC customers who:

3.3.3.1.1 Disconnect

3.3.3.1.2 Change Carrier

3.3.3.1.3 Install

3.3.3.1.4 "Change" orders

3.3.3.1.5 Are Non-Published

3.3.3.1.6 Are Non-Listed

3.3.3.1.7 Are Non-Published/Non-Listed

3.3.4 CLEC shall bill its own end-users.

3.3.5 CLEC will be billed in an agreed upon standard format.

3.3.6 Compensation

3.3.6.1 When CLEC is rebranding the local service of HORRY, directory assistance that is provided without separate charge to end-users will be provided to CLEC end-users without separate charge, subject to any additional actual expense to brand the service with CLEC's brand. Where DA is separately charged as a retail service by HORRY, CLEC shall pay for DA service at retail less avoided cost.

3.3.6.2 HORRY shall place CLEC end-users listings in its directory assistance database for no charge.

3.3.6.3 HORRY shall, subject to § 222 of the Act, as enacted or hereafter amended, make its unbundled directory assistance database available to CLEC.

3.3.6.4 Any additional actual trunking costs necessary to provide a CLEC branded resold directory assistance service or routing to CLEC's own directory assistance service location shall be paid by CLEC.

3.4 Operator Services

3.4.1 General Requirements

3.4.1.1 Where HORRY (or a HORRY Affiliate on behalf of HORRY) provides operator services, at CLEC's request (subject to any existing system capacity restraints) HORRY will provide to CLEC, CLEC branded operator service at parity with the operator services HORRY makes available to its own end-users.

3.4.1.2 At CLEC's request, subject to any existing system capacity restraints, HORRY will route Operator Service traffic of CLEC's customers to the CLEC's Operator Service Center at CLEC's expense.

3.4.1.3 HORRY shall provide operator service features to include the following: (i) local call completion 0- and 0+, billed to calling cards, billed collect, and billed to third party, and (ii) billable time and charges, etc. Depending upon the operating region, Blocking feature associated with Operator Services may also be available.

3.4.2 Compensation

3.4.2.1 HORRY shall provide operator services for resale at wholesale prices.

3.4.2.2 When CLEC requests CLEC branded HORRY operator services for resale any actual additional trunking costs associated with CLEC branding shall be paid by CLEC.

3.4.2.3 Where CLEC provides its own Operator Services, the Parties shall jointly establish a procedure whereby they will coordinate Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end-users. BLV and BLVI inquiries between operator bureaus shall be routed over the appropriate trunk groups. CLEC and HORRY will reciprocally provide adequate connectivity to facilitate this capability. In addition, upon request of CLEC, HORRY will make available to CLEC for purchase under contract BLV and BLVI services at wholesale rates.

4 ADDITIONAL RESPONSIBILITIES OF THE PARTIES

4.2 Law Enforcement And Civil Process

4.2.1 Intercept Devices. Local and federal law enforcement agencies periodically request information or assistance from local telephone

service providers. When either Party receives a request associated with a customer of the other Party, it shall refer such request to the Party that serves such customer, unless the request directs the receiving Party to attach a pen register, trap-and-trace or form of intercept on the Party's facilities, in which case that Party shall comply with any valid request. Charges for the intercept shall be at Horry's applicable charges.

4.2.2 Subpoenas. If a Party receives a subpoena for information concerning an end-user the Party knows to be an end-user of the other Party, it shall refer the subpoena back to the requesting Party with an indication that the other Party is the responsible Company, unless the subpoena requests records for a period of time during which the Party was the end-user's service provider, in which case the Party will respond to any valid request.

4.2.3 Hostage or Barricaded Persons Emergencies. If a Party receives a request from a law enforcement agency for temporary number change, temporary disconnect or one-way denial of outbound calls for an end-user of the other Party by the receiving Party's switch, that Party will comply with any valid emergency request. However, neither Party shall be held liable for any claims or damages arising from compliance with such requests on behalf of the other Party's end-user and the Party serving such end-user agrees to indemnify and hold the other Party harmless against any and all such claims.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its duly authorized representatives.

CLEC

Horry Telephone Cooperative, Inc.

By: 

By: 

Name: Abby Matari

Name: Bill Rabon

Title: CEO

Title: Director - Industry Affairs

Date: 11/20/06

Date: 11-27-06

ATTACHMENT I
Discount Percentage Categories

LOCAL SERVICE RESALE

The prices charged to CLEC for Local Service shall be calculated using the avoided cost discount applicable in the State determined on the basis of the retail rate charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by HORRY.

Resale Services will be priced in accordance with the standards and prices described below. The wholesale rate for Local Service Resale will be calculated based upon the discounts described below. Such discounts will be applied against the HORRY Retail Rates.

"Retail Rates" are the effective rates the HORRY retail customer would pay HORRY under the Retail Offering selected by CLEC, taking into consideration all applicable discounts, including, but not limited to, volume, term and time of day.

A "Retail Offering" is a tariff retail rate element, or package of retail rate elements, which HORRY offers its retail customers.

A nonrecurring "Subsequent Service Order" charge shall apply for the conversion of existing customers of HORRY services received from CLEC.

ATTACHMENT I
Schedule of Wholesale Discounts

LOCAL SERVICE RESALE

Service	Rate	Discount Applicable (Y- N)	Discount Rate
Basic Local Exchange Service	Tariff on File	Y	9.1%
Listing Services	Tariff on File	Y	9.1%
Foreign Exchange Service	Tariff on File	Y	9.1%
Digital Network Services (Digital Data)	Tariff on File	Y	9.1%
Channels Services (Private Line)	Tariff on File	Y	9.1%
High Capacity DS1 Service	Tariff on File	Y	9.1%
Grandfathered Services		N	NA
Contract Service Arrangements		N	NA
Frame Relay Service	Tariff on File	Y	9.1%
Centrex Service Arrangements		Y	9.1%
ISDN Services	Tariff on File	Y	9.1%
Local Calling Plans	Tariff on File	Y	9.1%
Installation and Non-recurring Service Charges	Tariff on File	N	NA
Restoration Charge (Service Reconnect)	Tariff on File	N	NA
Direct Inward Dialing (DID) Service	Tariff on File	Y	9.1%
Analog Channel Service	Tariff on File	Y	9.1%
Promotional Offering (>90 Days)		N	NA
Service Features	Tariff on File	Y	9.1%

ATTACHMENT I
Summary of Wholesale Charges

Line Charges (Residence and Business): Include but not be limited to the exchange line charges, by rate area within the jurisdiction. The price structure should encompass flat rate service, measured rate service (if offered), and any other subcategory that pertains to that jurisdiction. Line prices that reflect usage for such services, as Measured Extended Area Service, would be included.

Features: Include Custom Calling features and CLASS features designed to be compatible with single and multi-line residence and business exchange access line. Associated feature discounts for quantity or other marketing bundles would also be included.

Listings: Include all forms of directory listing for both residence and business services. Prices for customer listing options such as bold type, dual name, business name and custom advertising for the white and yellow pages are included.

Non-recurring Charges: Include charges associated with the installation, addition, changing or moving of service and equipment for local service.

Business Trunks and Service Arrangements: Include charges associated with PBX trunk arrangement for single and multi-line customers. Included are line and usage charges, features and service arrangements for direct inward dialing.

ISDN Service: Include charges associated with Integrated Service Digital Network for both residence and business customers for the transmission of voice, data, and packet switched signals as is available.

Channels: Includes Analog Private Line connections between two or more customers and represent voice grade and data grade type connections.

Digital Network Services: Includes Digital Data connections between two or more customers.

Measured Extended Area Service (MEAS) Dialing and Area Calling Plan(s) (ACP): Include calling plans outside of the customer's local and Extended Area Service (EAS) calling areas but within the LATA and is billed at a per minute and/or per message rate.

Switched Data Services: Include Switched Multi-megabit Data Service (SMDS) and Frame Relay Service (FRS) and is billed on transmission speed customer connection basis.